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July 29, 2021

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: South Carolina Energy Freedom Act (H.3659) Proceeding to Establish Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Standard Offer, Avoided Cost Methodologies, Form Contract Power Purchase Agreements, Commitment to Sell Forms, and Any Other Terms or Conditions Necessary (Includes Small Power Producers as Defined in 16 United States Code 796, as Amended) - S.C. Code Ann. Section 58-41-20(A)
Docket No. 2019-185-E (Duke Energy Carolinas, LLC)
Docket No. 2019-186-E (Duke Energy Progress, LLC)

Re: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's 2021 Avoided Cost Proceeding Pursuant to S.C. Code Ann. Section 58-41-20(A)
Docket No. 2021-89-E (Duke Energy Carolinas, LLC)
Docket No. 2021-90-E (Duke Energy Progress, LLC)

Dear Ms. Boyd:

Attached for filing with the Public Service Commission of South Carolina ("Commission") in the above-referenced dockets please find the Amended Partial Settlement Agreement ("Amended SISC Agreement") between Duke Energy Carolinas, LLC ("DEC"); Duke Energy Progress, LLC ("DEP," and together with DEC, the "Companies"); Carolinas Clean Energy Business Association ("CCEBA")¹, South Carolina Coastal Conservation League ("CCL"); the Southern Alliance for Clean Energy ("SACE"); and Johnson Development Associates, Inc. ("JDA"). The Companies, CCEBA, CCL, SACE and JDA are referred to collectively as the "SISC Settling Parties."

¹ On March 10, 2021, the Commission issued Order 2021-167 granting SCSBA's Motion to Substitute CCEBA as the party of interest in Docket Nos. 2019-185-E and 2019-186-E.

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In Commission Order No. 2019-881(A) approving the Companies' avoided cost methodologies, form contract power purchase agreement, standard offer tariffs, and commitment to sell forms, the Commission approved the SISC Settling Parties' October 21, 2019 Partial Settlement Agreement addressing the Companies' solar integration services charge ("SISC Agreement"). As part of the order approving the SISC Agreement, the Commission noted "the Settlement presents a reasonable accommodation among the parties regarding the contentious and complex issues surrounding variable resource integration charges. The Commission appreciates the Settling Parties' efforts to reach an agreement on this issue."²

As the Companies have previously advised the Commission during oral argument on March 31, 2021 and in a letter to the Commission on April 12, 2021, that in order to meet the procedural schedule for the Companies' 2021 avoided cost proceeding the SISC Agreement would need to be amended to account for the timing of the results of the independent technical review as provided for in the SISC Agreement.

The SISC Settling Parties have worked together to propose limited procedural amendments to the SISC Agreement for the Commission's consideration that extend the time for the Companies to complete the SISC technical review and to file new SISCs with the Commission. The procedural amendments clarify that the SISCs approved by Order No. 2019-881(A) will continue to apply prospectively to projects subject to the avoided cost methodologies and contractual terms and conditions established in Commission Docket Nos. 2019-185-E and 2019-186-E ("2019 Avoided Cost Dockets") as well as Docket Nos. 2021-89-E, and 2021-90-E ("2021 Avoided Cost Dockets"). Once DEC and DEP complete the independent review provided for in the Amended SISC Agreement and file an updated SISC with the Commission, that updated SISC will then be applicable to solar QFs that enter into a PPA or establish a legally enforceable obligation after the date of filing of that updated SISC, subject to review and approval by the Commission.

For ease of Commission review, the Companies enclose both a clean and fully executed version of the Amended SISC Agreement, as well as a redline of the proposed changes to the SISC Agreement approved in the 2019 Avoided Cost Dockets.

The SISC Settling Parties are submitting the Amended SISC Agreement for approval in the 2019 Avoided Cost Dockets and for informational purposes in the 2021 Avoided Cost Dockets.

Sincerely,



Heather Shirley Smith

Attachments

cc: Parties of Record (via email w/ attachments)

² Order No. 2019-881(A) at 18.